



May 28, 2015

OFFICE OF THE  
**UTAH STATE AUDITOR**

**REPORTING REQUIREMENTS FOR STATE ENTITIES THAT PROVIDE  
FUNDS TO NONGOVERNMENTAL NONPROFIT ORGANIZATIONS (NGOs)**  
(Not applicable to NGOs that are charter schools)

**Definitions**

**"Federal pass-through money"** means federal money received by a nongovernmental nonprofit organization (NGO) through a subaward or contract from the state or a political subdivision. "Federal pass-through money" does NOT include federal money received by an NGO as payment for goods or services purchased by the state or political subdivision from the NGO.

**"State money"** means any money that is owned, held, or administered by a state agency and derived from state fee or tax revenues, including funds awarded directly to the NGO by the state entity or appropriated to a state entity to distribute to an NGO. "State grant money" does NOT include money to an NGO for the purchase of goods or services based on a contract between a state entity and an NGO that is subject to the state procurement process, nor does it include donations/contributions received by a State entity and passed through to an NGO.

**"Local money"** means money that is owned, held, or administered by a political subdivision of the state that is derived from fee or tax revenues. "Local money" does NOT include money received by an NGO as payment for goods and services purchased from the NGO or contributions/donations received by the political subdivision.

**NGO Requirements**

A state agency that disburses any state money or federal pass-through money to an NGO must enter into a written agreement with the NGO requiring them to disclose to the state agency **annually** whether:

- 1) The NGO received or expended over \$25,000, \$100,000, \$350,000 or \$750,000 in federal pass-through, state, or local money in the previous year, or;
- 2) Anticipates receiving or expending in the year that the federal pass-through or state money is issued, over \$25,000, \$100,000, \$350,000 or \$750,000 in federal pass-through money, state money, or local money.

**Required Notifications from State Entity to Office of the State Auditor**

If the NGO discloses to the state agency that it meets or exceeds the requirements noted above, the state agency shall notify the Office of the State Auditor no later than **August 15<sup>th</sup>** of each year, all NGOs that disclosed that they met the reporting requirements noted above. This notification will be done by completing a **report on our website at [auditor.utah.gov](http://auditor.utah.gov)** (click on the [Audit Resources] tab, then the [State Agency Report of Grants to Nonprofits] tab). We have provided an online form for individual submissions or you can download the spreadsheet which can be completed for multiple NGOs and emailed to [sao@utah.gov](mailto:sao@utah.gov). Please do not change the format of the spreadsheet, as the information will be uploaded to a database.

**Legal Requirements** – *Utah Code 51-2a-201.5*, resulting from S.B. 132, *Fiscal Requirements for Local Governments and Nonprofits*, which was passed in 2015.

**For questions**, contact Ryan Roberts of the Office of the Utah State Auditor at 801-538-1721 or [ryanroberts@utah.gov](mailto:ryanroberts@utah.gov).